



Report and Financial Statements
Year ended 31 March 2021

Company Number: 3752751

Charity Number: 1151945

RSH Registration Number: L4254

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Board Members, Executive Officers, Advisors and Bankers

Board

Chair William Lacey (appointed as Chair from 1 October 2020)
John Inglesfield (resigned 1 October 2020)

Vice Chair None currently appointed.
Peter Bevington (resigned 1 October 2020)

Other Members Victoria Appleton
Claire Bradley
Adam Greenhalgh
William Lacey (Chair from 1 October 2020)
Sarah Roberts (appointed 1 October 2020)
Gregory Robinson (resigned 1 October 2020)
Paula Robinson
Vincent Roche (appointed 1 October 2020)
Stewart Shaw
Shazna Yasmin (resigned 1 October 2020)

Executive Officers

Group Chief Executive Anthony Duerden

Executive Director of Group Finance
and Company Secretary Stephen Aggett

Executive Director of Group
Operations Helen Thompson

Executive Director of Organisational
Development Vicki Howard

Director of Strategy and Business
Development Ed Barber (resigned 31 March 2021)

Registered Office Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED

Company Registered number 3752751

Charity Registered number 1151945

Regulator of Social Housing L4254

External Auditor Beever and Struthers
Chartered Accountants and Statutory Auditor
St. George's House, 215-219 Chester Road
Manchester, M15 4JE

Internal Auditor BDO LLP
3 Hardman Street
Spinningfields
Manchester, M3 3AT

Solicitors Forbes Solicitors
Rutherford House
4 Wellington Street
St. Johns, Blackburn, BB1 8DD

Bankers National Westminster Bank
6th Floor, 1 Spinningfields Square
Manchester, M3 3AP

Lenders National Westminster Bank
Floor 3, Kirkstane House
139 St Vincent Street
Glasgow, G2 5JF

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton, NN3 6NW

MorHomes PLC
Future Business Centre
Kings Hedges Road, Cambridge,
CB4 2HY

Report of the Board

The Board is pleased to present its report and the financial statements for the year ended 31 March 2021.

Principal activities

Calico Homes Limited is a Registered Charity. New Charitable Articles were adopted from 1 April 2013 with Charity Commission registration being granted on 8 May 2013. Calico Homes is governed by its memorandum and articles of association and is registered with the Regulator of Social Housing ("RSH") as a registered provider.

Calico Homes is the largest provider of affordable housing in the Burnley area and plays a significant role in the on-going development and enhancement of housing opportunities for people in need.

Whitworth Care Trust was incorporated into Calico Homes in January 2017, the Care Quality Commission registration is with Calico Homes and the care home service is provided at Barley View, Whitworth.

Calico Homes Limited is a subsidiary of The Calico Group Limited ("Calico").

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. Calico Homes undertakes and manages its activities in line with the Vision and strategic objectives. The Board receive regular updates on performance against delivery of the strategic objectives as outlined within the Strategic Report on page 7.

Review of the year

Details of Calico Homes annual performance and future plans are set out within the Strategic Report that follows the Report of the Board.

The Board

The Board comprises 8 (2020: 10) Non-Executive Directors who are responsible for ensuring the organisation achieves and delivers its Vision and Strategic Objectives. The Non-Executive Directors are trustees for charity purposes. The Non-Executive Directors who served during the year and up to the date of the signing of these financial statements are listed on page 1. During the financial year, there were four retirements from the Board as Members reached the end of their term of office or for personal reasons.

The Board delegates the day-to-day management and implementation to the Chief Executive and Executive Directors. The Executive Team meet weekly and attend Board meetings.

Non-Executive Directors are recruited on a skills-based approach ensuring they have the appropriate range of skills, experience and qualities required to provide strategic direction and monitor Calico Homes performance. The Board met 8 times throughout the year and all meetings were quorate.

New Board Members as part of their induction undergo training on their legal obligations under charity and company law; the content of the Articles of Association; the board and decision-making processes; the business plan and recent financial performance of the charity. The induction programme also covers Calico Homes strategy purpose, history, aims and objectives.

Calico Homes carries out annual appraisals on an individual and collective basis which supports a Board development programme. This programme focuses on Board performance and ensuring the Board's future effectiveness together with tailored events on specific business-related topics where a training need has been identified. The Board and its committees obtain external specialist advice from time to time as necessary.

In 2020, Calico launched a New Generation Board Diversity Programme aimed at young people and minority ethnic backgrounds. Calico has successfully recruited 5 New Generation Board members to its Homes and Syncora Boards and the Nominations and Remuneration Committee. The Diversity programme is run in partnership with the Housing Diversity Network and there is a training programme that supports the members for 2 years with the aim that at the end of the programme the members will be ready to move into a Board member position.

Calico Homes has insurance policies that indemnify its Board members and Executive Officers against liability when acting for Calico Homes.

In order to operate effectively and ensure appropriate governance in business-critical areas the Board has delegated authority to two Group Committees.

Audit & Assurance Committee

The Group Audit Committee met 4 times during the year. The Committee is responsible for reviewing the Calico Group's risk management framework and reports to the Board on the effectiveness of the Company's internal control arrangements. The Committee also review and consider the Calico Groups compliance with regulatory and legal requirements. The Committee address internal and external control issues, considering the scope of work of both internal and external audit activities including their appointments. It also considers the financial statements and recommends their approval to the Board.

Report of the Board (continued)

Remuneration Committee

The Group Remuneration Committee met four times during the year. The Committee advises the Board on Non-executive member recruitment and remuneration and the appointment and remuneration of the Chief Executive and Executive Directors, taking independent advice and using consultants as necessary. The committee also sets the objectives for the Chief Executive and reviews performance against those objectives.

Community Engagement

Calico Homes approach to involving customers is in line with the regulatory standards. The organisation involves customers through a variety of formal and informal approaches utilising customer feedback to influence service improvements and key decisions. There are range of different opportunities which ensure customers are involved at all levels. These include:

- Customer Board membership.
- Service level and informal involvement within neighbourhoods.
- Neighbourhood representatives who complete customer scrutiny activities and are involved in the development of policies and strategies; and
- Active tenant and resident associations and community groups.

Calico Homes value the insight gathered from its customers and have developed a "What Our Customers are Saying" (WOCAS) report that is used to inform decision-making and service improvement. The Board oversees the approach to involvement ensuring effective co-regulation.

Calico Homes has a clear and simple complaints policy available to all customers focussed on the principle of doing the right thing to resolve complaints.

Pensions

Executive Directors are eligible to join the defined contribution Social Housing Pension Scheme. The Executive Officers participate in the scheme on the same terms as all other eligible staff. Full details of the scheme are given in note 10 to the financial statements.

Employees

The strength of Calico Homes lies in the quality and commitment of its employees. The contribution of its employees is essential in the ability of Calico Homes to deliver its strategic objectives and commitments to customers.

Calico Homes continues to provide information on its objectives, progress, and activities through briefings from senior staff, regular departmental meetings, an annual staff conference, One Calico events, a performance and personal growth framework and a regularly updated intranet site. There is an Employee Voice Group who represent staff from across the Company and meet regularly with senior leaders to consider how the Company delivers services and runs its business.

Calico Homes is committed to inclusivity for all its employees and customers. Calico has established "This is Me" groups to support colleagues and communities. The aim of these groups is to influence Calico's culture to ensure inclusivity and diversity in all realms. The vision of the This is Me Groups is "Through our own diversity and lived experiences we will celebrate and champion (LGBTQ+/BAME/Youth) across the Calico Group and our communities". Calico has retained its two ticks for disability recruitment, is a member of the HouseProud Network and a member of the Housing Diversity Network.

The Calico Group has been acknowledged by Inclusive Companies as one of the top 5 inclusive employers in the UK. This recognition is based on amalgamation of topics including recruitment procedures, training, workforce data and a host of diversity related initiatives. The Calico Group attracts a diverse range of staff from different backgrounds. Calico Homes diversity of our employees is 50% (2020:49%) male, 50% (2020:51%) female, 8% (2020:9%) who self-identify as disabled, 7% (2020:7%) from a BME background and 1% (2020:1%) who identify as LGBTQ+. The latter two measures are largely reflective of the communities we serve.

Health and Safety

The Board is aware of its Health and Safety responsibilities and has a policy statement in place, supported by a robust framework of policies and procedures. and receives regular reports on health and safety issues arising from across the organisation. The Health and Safety Performance Team, chaired by the Chief Executive, meets on a regular basis and receives regular reports on health and safety issues arising from across the organisation. Calico Homes are CHAS (the Contractors Health and Safety Assessment Scheme) accredited.

Internal controls assurance

The Board has overall responsibility for risk management and is responsible for ensuring the organisation has an effective system of internal control.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss, in line with the Board's view that risks should be controlled and not avoided.

Report of the Board (continued)

Internal controls assurance (continued)

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls that are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which Calico Homes is exposed.

The process for identifying, evaluating and managing the significant risks faced by Calico Homes is ongoing and has been in place throughout the period commencing 1 April 2020 up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements on a regular basis during the year and considers at each meeting whether the risk map needs amending as a result of the meeting.

Assurance on the effectiveness of key risk controls is reviewed annually by both by Audit and Assurance Committee and the Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- **Identifying and evaluating key risks**

The Calico Group's risk management framework, setting out the Board's attitude to risk in the achievement of its objectives, underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation, and control of significant risks. The Executive Officers regularly consider reports on these risks and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks

- **Information and reporting systems**

Financial reporting procedures include the Board review and approval of annual 30-year business plan which is supported by various sensitivities and robust stress testing of the plan. The Board also approve the annual budget and are supported by regular reporting, forecasts and cashflows which are reviewed and monitored by the Board throughout the year. Reports on key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes are regularly produced and reviewed. The outcomes of these reviews are formally reported and discussed by the Board quarterly.

- **Monitoring arrangements**

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. The Calico Group and Calico Homes have a number of policies and frameworks in place to support the systems of internal control. These cover issues such as fraud, whistleblowing, delegated authority, treasury management, health and safety, data protection and the code of conduct.

- **External Assurance**

Internal Audit

Internal Audit is provided by BDO LLP who are responsible for the independent and objective review of the effectiveness of the internal control system within the Calico Group and this provides independent assurance to the Board, via the Group Audit and Assurance Committee. The arrangements include a rigorous procedure, monitored by the Group Audit and Assurance Committee, for ensuring that corrective action is taken in relation to any significant control issues.

External Audit

External Audit is provided by Beevers and Struthers LLP who provide an external audit management letter, which is required to report any material weaknesses in internal controls identified in the course of their audit work, has been received. There were no such weaknesses identified on the effectiveness of existing internal controls that directly relate to the Financial Statements.

National Housing Federation (NHF) Code of Governance

Calico Homes have adopted the NHF Code of Governance 2015, compliance is reviewed and self-assessed annually.

The Board confirm compliance with the Code for the full year ended 31 March 2021, with the following exception.-Up to October 2020 the previous Chair of the Calico Homes Board was a member of the Group Audit and Risk Committee and was appointed due to his extensive knowledge of funding, risk and regulation. The Code states that the Chair of the Board should not Chair the Committee nor be a voting member of the Audit & Assurance Committee (formerly Audit & Risk Committee - name changed to reflect Boards needing assurance that risks are managed with controls). The previous Chair did not Chair the Committee nor was their vote required for quorate decisions to be taken throughout the year.

In June 2021, Calico Homes board approved the adoption of the NHF Code of Governance 2020 for the year ended 31 March 2022 and is working towards full compliance by March 2022.

Regulator of Social Housing (RSH) Regulatory Standards Compliance

The Board completed their annual self-assessment against the requirements of the RSH Governance and Financial Viability Standard alongside a wider Regulator Framework (2015) and confirms compliance with the Regulatory Standards.

The Regulator carried out an in-depth assessment and this confirmed Calico Homes retained its V1 and G1 status in January 2021.

Report of the Board (continued)

Reserves Policy

The Trustees will review the level of reserves annually, in line with guidance issued by the Charity Commission.

The Business Plan indicates positive reserves will be achieved in 21/22 which is ahead of the targeted position and the Trustees consider that sufficient resources are held in an appropriate form.

Reserves

After transfer of the surplus for the year of £3.71m (2020: £1.49m) and actuarial loss of £0.78m (2020: gain £0.55m), the Company Reserves at the year-end amounted to a deficit of £0.14m (2020: £3.07m).

Statement of directors' responsibilities for the annual report and financial statements

Company law and registered provider regulation requires the directors to prepare financial statements for each financial period. Under that law directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the surplus or deficit of the Company for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- ensure United Kingdom Accounting Standards and the Statement of Recommended Practice: "Accounting by Registered Social Housing Providers" (updated 2019) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 2006, paragraph 17 of schedule 1 of the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Social Landlords. It is also responsible for taking reasonable steps to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

The Board, who were in office on the date of approval of these financial statements, have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Board members have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Going concern

The Board is confident that Calico Homes remains a going concern for the following key reasons:

- Following the third lockdown announcement in January 2021, the Board continued its Business Continuity arrangements, which meant that all services that were able to be delivered safely were able to continue, including services to vulnerable tenants in sheltered and extra-care schemes, day to day repairs to tenants' properties within the Government's social distancing guidelines, and all statutory compliance activities. All other staff colleagues continue to be able to carry out their duties from home. The majority of lockdown restrictions ceased in July 2021.
- Preparation of detailed financial forecasts and business plans, which demonstrate that the organisation has sufficient cash and is able to continue to meet the financial covenants within the loan facilities.
- Sensitivity analysis and stress testing analysis has been performed which demonstrates that there are sufficient funds available to meet the increased cost of bad debts, which could arise where tenants' and customers' financial circumstances are adversely impacted by the pandemic. The Board monitors all debtors closely.
- Calico Homes has in place an undrawn revolving credit facility, commitment of future Homes England development grants and generates positive cash from core operations. These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Company's day to day operations.

After making enquiries, the Board are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. There was a surplus of £2.9m (2020: £2.0m) and net liabilities of £0.1m (2020: £3.0m, which includes £1.158m (2020: £0.458m) provision for the SHPS defined benefit scheme liability. The 2021 business plan shows that the reserves will be in a positive position by March 2022. Therefore, the Company continues to adopt the going concern basis in the financial statements.

Calico Homes Limited
Company number: 3752751

Report of the Board (continued)

Auditor

The Calico Group directors will be carrying out a tender process in respect of the external auditor appointment for the next financial period.

This report was approved by the Board on 13 September 2021 and signed on its behalf by:

Stephen Aggett
Company Secretary
13 September 2021
For the year ended 31 March 2021

Strategic Report

Calico Homes is part of The Calico Group, providing a unique approach for Calico Homes. The Group's innovative charities and businesses provide a diverse range of services, with each Group company having its own specialism, expertise, and a track record across a range of disciplines including housing, healthcare, support, employability, and construction. Working alongside the rest of The Calico Group, Calico Homes supports customers to live safely, independently and with purpose –through good quality homes, and with additional support such as employment opportunities, building confidence, developing skills, and supporting local communities. Calico Homes purpose is to make a real difference to people's lives and our shared vision and values and ensure we keep our customers and staff at the heart of everything we do.

Calico Homes Corporate Plan outlines:

Our Vision

The vision for the Calico Group is:

"Investing in local communities where everyone thrives – through innovation, strength and collaboration".

Our Values

Our values reflect the priorities we see our organisation needs to concentrate on to ensure that the vision can be delivered.

Our values are:

- Going one step further with our customers
- Our wellbeing as individuals and teams
- Improving and strengthening ourselves and our organisation

To achieve our purpose of making a real difference to people's lives.

Strategic Objectives

The vision and values provide the strategic direction for Calico Homes. These are underpinned by the strategic objectives which are:

- To create successful neighbourhoods where people chose to live.
- To provide an excellent customer experience and a unique customer offer, working with the rest of the Group.
- To provide high quality, safe, and affordable homes through investing in new development and improving existing properties.
- To be a strong and well-governed business that provides value for money and is continually improving.
- To have happy, positive, and connected teams who believe in our purpose and values.

Performance for the year

Despite the various COVID-19 related challenges Calico Homes has continued to perform well in many areas, continuing to deliver vital products and services that are benefiting local customers and communities. Whilst the initial focus in the first 6 months of the year was supporting vulnerable customers and ensuring the business remained robust in response to the unprecedented challenges, services have continued to be delivered with minimal interruptions and in many respects, the organisation is in a stronger position than previous years.

Calico Homes adapted well to initial change in delivery of services and the customer contacts and services continued to be delivered by all teams using new methods of contact and due to their success, these will continue to support and influence future ways of working. There has been a strong emphasis on providing support to Burnley's most vulnerable customers and Calico Homes was the lead partner alongside the Local Authority in the delivery of the "Burnley Together" collaboration that has provided support to 4,189 residents during 2020/21 across various areas including mental health and food poverty.

As part of the strategic objective to invest in developing new homes, Calico Homes has continued with its ambitious development programme and since 2014, 715 new units have been developed for affordable rent and supported housing in partnership with our group subsidiary Ring Stones Maintenance and Construction Ltd. Following interruptions during the 1st national COVID 19 lockdowns, work on building sites continued and during 2020/21, 221 new units were delivered despite the challenging circumstances.

Covid-safe working practices were implemented across all our sites to allow the safe continuation of construction work and in the case of Tracey's Place Domestic Abuse refuge in Lancaster, the 20-unit scheme was delivered on time and on budget without interruption during the 1st lockdown period.

The successful regeneration of the Burnley Wood area continued through the delivery of 45 additional new homes refurbished through the Empty Homes program. The Empty Homes programme has been extremely successful with over 100 homes delivered to date and these are having a positive impact in reducing crime and Anti-Social Behaviour reports, environmental improvements, and increased property prices.

Strategic Report (continued)

Performance for the year (continued)

Following the successful acquisition in March 2020 of the Thornber Court Bungalows, a further tenanted 57 Bungalows were purchased from the same developer at an adjacent location, increasing our asset base, our older persons offer and strengthening our balance sheet. Calico Homes successfully let all these properties immediately at handover.

Calico Homes also provided 86 additional units of affordable housing, these were delivered through new build schemes on Station Road, Maytree Close and Florence Avenue.

Investment activity in existing homes was carried out throughout the year, as expected there were some initial delays following the first national lockdown. In 20/21 £2.885m (19/20: £2.3m) has been spent on improvements included external improvements to 43 homes, 351 boiler replacements, 137 planned roofing works and door and window replacements to 72 homes.

Emergency repairs and essential health and safety and compliance related works have continued to be delivered throughout the year and the percentage of homes with an up-to-date gas safety certificate has been 100% for most of the year with temporary dips due to restricted access during the lockdowns/restrictions. Following the enforced shut down of non-essential repair services, Calico Homes saw an increase in overdue works with over 2,500 repairs outstanding when the service resumed in August, as at year end the majority of these have now been completed.

Calico Homes did experience a short-term reduction in relation to rental income collection at the start of the summer along with related increases in new Universal Credit claims. Despite the Government initiative which introduced restrictions relating to arrears, notice periods and possession proceedings, Calico ended the financial year with its strongest ever performance at 100.16% collection. This combined with a much-reduced void loss, strong budgetary controls, and a small number of Covid related underspends contributed to a year end surplus of £3.705m (Budget surplus of £1.204m).

In November 2020, the RSH carried out an In-Depth Assessment and in January 2021 confirmed that Calico Homes had successfully retained the highest ratings with both a G1 and V1 status. There have also been various initiatives and improvements implemented within the last 12 months to strengthen our approach to governance and assurance including a review of governance frameworks, a review of wider group liabilities and risks and a new intra-group finances framework.

Calico Homes recognises the value and importance of colleague wellbeing and in line with the strategic objectives, providing additional support for colleagues has also been a key priority during the pandemic. This has been supported with the introduction of a new HIVE external engagement tool and also focussed well-being surveys. The feedback from these surveys has enabled Calico Homes to better understand and respond to colleague feedback and implement a range of interventions as well as planning for future changes, all focussed on supporting colleagues to succeed, be engaged and happy at work. Flexible working technology has supported new ways of working and Covid-safe working practices have been implemented and regularly reviewed to keep both colleagues and customers safe and ensure guidelines have been adhered to.

Additional staffing opportunities for local young people have been made available through 12 work placements through the government's KickStart scheme with further Kickstart placements and opportunities planned in 21/22.

The year ended positively and Calico Homes successfully secured additional funding of £27.8m provided by MORhomes. These additional funds will continue to support Calico Homes ambitious development strategy.

Performance and Value for Money ("VfM")

The Calico Group has a VfM strategy which was approved by the Board in December 2019. The strategy sets out the vision for the Group, the strategic objectives and measurable outcomes that demonstrate our VfM. Whilst the strategy is at a Group level it includes specific requirements for Calico Homes supporting operational performance and ensuring compliance with all regulatory and legislative requirements.

The strategy aligns with Calico Homes strategic objectives, internal performance measures, RSH VfM metrics and the internal VfM action plan are reported and reviewed on a regular basis by the Board.

The Board completed a full review of the existing performance indicators and have streamlined these and agreed 12 key indicators that focus on the delivery of the strategic objectives. The strategic objectives are underpinned by a range of operational indicators that are internally reviewed monthly.

The table below demonstrate our performance against the Calico Homes strategic objectives and key performance indicators compared with our year end performance.

STRATEGIC OBJECTIVE 1	2019/20	TARGETS 20/21	2020/21	ACHIEVED TARGET	21/22 TARGET
TO CREATE SUCCESSFUL NEIGHBOURHOODS WHERE PEOPLE CHOOSE TO LIVE					
% of tenancies sustaining for at least 12 months	87.60%	91%	86.70%	✗	91%
NEW Number of customers received support to sustain their tenancy	N/A	260	458	✓	500
Number of apprenticeships supported	15	12	16	✓	25

Strategic Report (continued)

Performance and Vfm (continued)

Overall, as highlighted with the performance update 20/21 was a positive year for Calico Homes despite the challenges of COVID. Although the target was not achieved for tenancy sustainment in 20/21 the teams have worked hard to support customers and have supported significantly more customers (458) in year, many of which have been transitioned onto Universal Credit throughout in year lockdowns. Calico Homes has also continued with its successful partnership working and this enabled additional grants of over £70k into the Burnley Together Partnership to support the provision of school meals and sports equipment within Burnley.

STRAETGIC OBJECTIVE 2	2019/20	TARGETS 20/21	2020/2 1	ACHIEVED TARGET	21/22 TARGET
TO PROVIDE AN EXCELLENT CUSTOMER EXPERIENCE AND A UNIQUE CUSTOMER OFFER WORKING WITH THE REST OF THE GROUP					
% of complaints resolved within 10 days	50.61%	90%	74.04%	✗	90%
NEW % of customers satisfied with complaint handling	N/A	74%	55.88%	✗	74%
NEW Number of customers supported annually through complex needs services	N/A	550	478	✗	550
Customer Satisfaction	87%	88%	86.9%	✓	90%

The complaints performance was below target in 20/21 (12 month rolling average) where performance had slipped in the early part of the year, some of which was attributable to COVID related challenges. However, there have been sustained improvements in the final 6 months of the year. Work has commenced with a sub-set of board members to strengthen links with customers to produce an action plan focussing on customer relationships, communication and influence to ensure the Company will meet the requirements of the Charter for Social Housing Tenants and the 2020 NHF code of governance. A new indicator has been introduced relating to "customer satisfaction with complaints handling", the feedback provides Calico Homes with additional insight, supporting analysis of trends and lessons learnt and this will be used to support future service improvements and improved complaints handling.

STRAETGIC OBJECTIVE 3	2019/20	TARGETS 20/21	2020/2 1	ACHIEVED TARGET	21/22 TARGET
TO PROVIDE HIGH QUALITY, SAFE AND AFFORDABLE HOMES THROUGH INVESTING IN NEW DEVELOPMENT AND IMPROVING EXISITING PROPERTIES					
NEW Number of Development units completed excluding acquisitions	186	115	148	✓	96
NEW % Emergency, Urgent & Routine Jobs Completed on time	N/A	95%	97.78%	✓	96%
% Properties with valid electrical certificate (5 years)	84.15%	90%	75.63%	✗	100%
% Properties with valid gas certificate	100%	100%	99.98%	✓	100%
% Fire Risk Assessments Valid	100%	100%	100%	✓	100%

Calico Homes has continued its ambitious development programme delivering 221 new homes in 20/21 of which 148 were developed by Ringstones (part of the Calico Group) and received over £3.3m of grant funding from Homes England to support the programme. Overall Health & Safety performance has been strong, however the impact of COVID has impacted the electrical testing performance and currently Calico Homes are working towards a 5-year programme. All properties comply with the 10-year requirement and it is expected that the 5-year target will be met by June 2022.

STRAETGIC OBJECTIVE 4	2019/20	TARGETS 20/21	2020/2 1	ACHIEVED TARGET	21/22 TARGET
TO BE A STRONG AND WELL GOVERNED BUSINESS THAT PROVIDES VALUE FOR MONEY AND IS CONTINUALLY IMPROVING					
% overall Rent Collected	99.59%	98%	100.12%	✓	99.25%
% Void loss	1.85%	2%	1.25%	✓	1.5%
% Interest Cover	126%	120%	184%	✓	120%
% Operating Margin	30.4%	28.20%	31.8%	✓	27.7%

Strategic Report (continued)

Performance and Vfm (continued)

As noted within the financial performance it has been a strong year for Calico Homes with several key areas of improved financial performance. Key highlights are increased rental income due to the new units that have been developed, there has been a significant increase in rent collection levels which is extremely positive when considering the impacts with lockdown and instability due to Universal Credit claims initially experienced in the year. Calico Homes has also benefited from improved cost controls within the year and a reduction in interest costs due to lower drawdown requirements.

STRAETGIC OBJECTIVE 5	2019/20	TARGETS 20/21	2020/21	ACHIEVED TARGET	21/22 TARGET
TO HAVE HAPPY POSITIVE AND CONNECTED TEAMS WHO BELIEVE IN OUR PURPOSE AND VALUES					
% Sickness Absence (exc Group Business Services)	3.7%	3.25%	3.86%	✗	3.25%
NEW Colleague Employee Net Promoter Score (eNPS)	N/A	NEW	+34	✓	N/A

Calico Homes has continued to invest in planned improvements, rolling out Microsoft 365 as a response to the pandemic with further work planned to introduce further additional functionality. Thus allowing colleagues to continue agile working and delivering essential services to their customers. In 2020/21 a new engagement tool – Hive was introduced which now measures Colleague eNPS, the overall score of +34 is considered as good/excellent. There has also been a follow up survey to provide insight on colleague wellbeing and support future improvements/initiatives. The sickness absence performance is partly attributed to a small number of long term absences and all cases are closely managed by leaders within the organisation.

RSH Value for Money Metrics

As part of the Value for Money Standard Calico Homes has compared its performance against the 7 key metrics. The performance is compared with both the Sector quartile performance and also our Peer Group which comprises of 8 Registered Providers inclusive of Calico Homes (LSVT's in the North West >12 years, with less than 6,000 homes).

The Peer Group has been chosen as it closely mirrors Calico Homes and all providers within the peer group correlate with the regional wage index. It should be noted that Calico Homes has a high proportion of Housing for Older People and this is an area that will be reviewed as part of our future benchmarking to better understand any variations/impact of this when benchmarking with peers.

Below is a table of Calico Homes Value for Money Metrics for 20/21 compared with the RSH sector and Peer Group comparison from 19/20.

	Value for Money Metrics	2019/20	2020/21	2021/22	2022/23	2023/24	Calico 2020/21 V Global Accounts 19/20 All providers	Calico 2020/21 V Global Accounts 19/20 Peer Group
		Actual	Actual	Forecast	Forecast	Forecast		
1	Reinvestment %	15.0%	14.9%	11.0%	10.50%	9.40%	Upper	Upper
2A	New supply delivered (social housing)	3.7%	4.2%	1.8%	1.6%	2.6%	Upper	Upper
2B	New supply delivered (non-social)*	0.12%	0.0%	0.0%	0.0%	0.0%	-	-
3	Gearing	87.80%	80.40%	81.60%	78.70%	77.50%	Upper	Upper
4	Interest Cover – EBITDA MRI	125.4%	156.4%	126.1%	131.4%	136.0%	Lower	Lower
5A	Headline Social Housing cost per unit	£2,707	£2,720	£3,088	£3,183	£3,203	Lower	Lower
5B	Management cost per unit	£1,170	£1,031	£1,180	£1,123	£1,133		Upper
5C	Service charge per unit	£186	£200	£228	£230	£230		Median
5D	Maintenance cost per unit	£797	£735	£880	£890	£910		Lower
5E	Major repairs cost per unit	£470	£590	£610	£710	£700		Median
5F	Other social housing costs per unit	£84	£165	£190	£230	£230		Median
6A	Operating Margin (social housing)	30.40%	34.90%	28.20%	27.90%	29.10%	Upper	Upper
6B	Operating Margin	25.20%	31.80%	26.70%	26.50%	27.60%	Upper	Upper
7	ROCE (Return on capital employed)	4.6%	5.7%	4.3%	4.1%	4.1%	Upper	Upper

* denotes 0% across all quartiles

Strategic Report (continued)

RSH Value for Money Metrics (continued)

Metric 1 - % Reinvestment

Calico Homes has continued with the strong performance in delivery of new homes and performance has continued to achieve upper quartile levels against all providers and peers and is consistent with prior year performance. Calico Homes has invested in a mixed development inclusive of Calico Homes own development, acquisition and refurbishment of existing properties via the successful Homes England Empty Homes scheme (45 properties acquired in 20/21). In future years the % reduces slightly, part of this due to the expectation that the Empty Homes scheme funding will deliver 30 homes per year as a result of increasing property prices impacting on the number of properties purchased via this funding stream. In addition, Calico Homes is currently appraising the Burnley General Hospital site, which is expected to develop over two phases, with the first phase commencing late 21/22 developing a 95-bedroom Extra Care facility, which is due to be complete post 2024. Levels of re-investment have remained consistent and at around the median level when compared with our peers (as demonstrated in the Headline Social Housing Cost metric). There are some planned increases in future years, in 21/22 there are increases attributable to slippage from 20/21 arising from COVID delays and an increase in future fire safety works, although it should be noted that Calico Homes does not own any high-rise blocks.

Metric 2A & 2B- New Supply Delivered (Social/Non-Social Housing)

In line with the Reinvestment % the new supply delivered is at upper quartile levels when compared to both national and peer performance. Calico Homes has developed 715 properties as at 20/21 and is on target to develop a further 530 over the next 5-year period. In 20/21 Calico Homes completed 221 new homes, of which 174 were for General Needs with the remaining 47 for both Supported Housing and Housing for Older People.

Metric 3 - Gearing

Calico Homes has a significantly higher gearing level when compared to other housing providers and is shown as upper quartile. This is driven by the initial purchase costs of assets at the point of the stock transfer and a significant development programme along with the reinvestment in the existing stock. Calico Homes recognises this metric does not compare with peers, Calico Homes treasury strategy is to ensure maximisation of the existing assets supporting its ambitious development programme and high reinvestment levels delivered to date. Funds are secured with lenders on a loan to value (LTV) basis. As demonstrated the direction of travel is showing a positive trend with gearing reducing both to date and forecast to reduce further in the future.

Metric 4 - EBIDA-MRI

Correlating with the gearing metric the Interest Cover metric is lower than peers primarily because there will be more interest payable as indicated by the higher Gearing metric. This is used by funders to monitor interest cover levels. In 2020/21 the EBITDA-MRI increased as a result of low interest rates and also cash drawdowns were lower than expected.

Metric 5 - Headline Social Housing Costs

The Headline Social Housing cost per unit compared to Calico peer group demonstrates an overall favourable picture. Management Costs are upper quartile when compared to peers, however as noted earlier Calico Homes has a higher proportion of supported housing. The RSH VfM Reporting May 2021 indicated that based on regression analysis supported housing units on average increased headline social housing costs by £6,700 a unit and this is an area of focus for Calico Homes in the coming year to better understand cost impacts. There are also prudent rent collection and void assumptions in future years mitigating against potential Universal Credit impacts. Calico Homes is also committed to increasing its resources investing in new posts focussed on compliance, assurance and operations and further investment in learning and development, wellbeing and diversity and inclusion.

Calico Homes has seen lower maintenance costs in 20/21 when comparing to 19/20 peers, however, there have been COVID related impacts relating to access and future years show an increased investment in repairs and maintenance of existing stock, part of which is attributable to the move to a 5-year Electrical Testing programme. Major repairs costs are in line with the median level, this is an area of focus for Calico Homes in 21/22 with a refreshed Asset Management Strategy in place and a focus on future carbon reduction initiatives. Other costs remain in line with peers. It should be noted that Calico Homes has reviewed its community investment costs and these have been removed from management costs to other costs for 20/21.

Metric 6 - Operating Margin & Operating Margin (Social housing)

Calico Homes saw its operating margin increase in 20/21 to its highest levels. 20/21 saw positive financial performance for Calico Homes, part of this was attributable to increased rent collection supporting reducing bad debt provisions as well as a reduced void loss. There was also positive performance for the Care Home - Barley View with increased occupancy and receipt of grants. There were also reductions in repairs and investment costs as a result of COVID and these budgets have been carried forward into 21/22. Future operating margins are in line with prior years performances as Calico Homes further develops and the potential one-off impacts relating to COVID seen in 20/21 do not reoccur.

Metric 7 - Return on Capital Employed

ROCE measures the efficiency of investment of capital resources and Calico Homes remains at upper quartile based on actual and forecasted performance indicating positive use of its capital resources.

Strategic Report (continued)

Other Benchmarking

Calico Homes is also part of the Housemark Sector Scorecard and comparison are provided below on a national level, there is not a comparable peer group to benchmark against as there are only 3 comparative providers in the North West with less than 6,000 homes. The use of these indicators will be reviewed further in 21/22.

Sector Scorecard	2020/21	2020/21	2019/20	2018/19	19/20 Peer Median	Calico 2021 v 19/20 Quartile
	Target	Actual	Actual	Actual	National	National
Development (No. of social units)	218	221	190	112	48	Upper
Rent collected	98.5%	100.16%	99.6%	99.1%	99.84%	Upper
Customer satisfaction	88.0%	87.0%	87.0%	87.0%	86.9%	Median
Investment: communities	£250,000	£404,755	£341,850	£294,894	£101,104	Upper
Occupancy Rate	97.0%	98.46%	98.7%	96.5%	99.28%	Lower

In line with the RSH re-investment metric, Calico Homes has continued to deliver upper quartile development throughout the year, and this is planned to continue into 21/22. Rent collected in the year exceeded previous year performance and Calico continue to support customers in managing their tenancies and the challenges faced with Universal Credit.

Customer Satisfaction remained static from prior years. It is likely that restriction of services due to COVID have had an impact on satisfaction levels with challenges around repairs and reductions in staffing levels. In 21/22 Calico Homes has introduced an additional Repairs customer satisfaction survey which will provide further insight into customer feedback.

Investment in Communities in 20/21 has increased significantly from prior years and this also aligns with Calico Homes as a key partner in the Burnley Together Partnership. Further work is planned in 21/22 to link with other investments across the Calico Group.

Occupancy Rate has improved in 20/21 despite the challenges faced in a pandemic and this performance needs to be measured alongside our tenancy sustainment approach. This remains a key area of focus in 21/22.

Future Activity

The Refinancing activity completed at the end of the financial year with MORHomes provided an additional £27.8m funding to support the continued delivery of the development program over the next four years.

Development activity planned in the next 12 months includes 76 affordable homes units at Tay Street and Sycamore Close and the purchase, refurbished and let of 30 additional affordable housing in phase 5 of the Empty Homes program. With the housing market around Burnley inflating, Calico will capitalise on existing productive partnerships with the local authority and Homes England to maximise success.

Planning and construction will start on the 95 bed Burnley General Hospital extra care scheme and well-being hub that will further develop Calico Homes' strong working relationship with Syncora and other local partners. Scoping will commence on phase 2 of the project later in the year.

Land Acquisitions are planned at the Livingstone Mill and Water Street sites to further support development aspirations and there is sufficient flexibility built into the pipeline program to take advantage of other opportunities as they arise.

£3.8m is earmarked for major works investment in Calico Homes existing stock with works planned to include window and door replacements, central heating replacements and matched green funding in partnership with Burnley Borough Council targeted at improving energy efficiency of the lowest performing stock. The newly formed Asset Management Delivery Group will oversee the delivery of the new 5-year Asset Management Strategy that will include an updated 5-year investment program, a review of void quality standards and baseline analysis of costs and measures to achieve EPC C ratings across all existing homes.

Calico's Successful Neighbourhoods Strategy will be reviewed and updated with a focus on Tenancy Sustainment, quality of the neighbourhood and local partnerships. Continued investment has been committed to Burnley Together and Calico will collaborate with partners to agree longer term aspirations to continue the project's successful impact on Burnley residents and communities.

Calico Homes approach to customers will also be improved through the delivery of a new Customer Strategy that will target new approaches has to customer intelligence, experience, feedback and complaints, more engagement and influencing opportunities and stronger links with board.

Improvements will continue to be made to the management of compliance and building safety including reviewing compliance data and assurance and responding to the requirements of forthcoming Fire and Building Safety Legislation changes.

Strategic Report (continued)

Future Activity (continued)

Building on work started through Calico Group's New Generation Diversity Program, managers will continue to lead their teams on improvements to Equality, Diversity and Inclusion approaches and will work closely with "This is Me" groups to plan more effective recruitment and retention of under-represented groups and engagement with local communities.

Calico leaders will continue to engage their teams in responses to the HIVE people surveys to support effective approaches to well-being as the organisation emerges from the stresses of the pandemic and flexible approaches to work will be further explored and developed to ensure Calico retains its relevance in the employment market and continues to be an attractive place to work.

Principal Risks and uncertainties

As part of the Calico Group approach to risk management, Calico Homes has in place a risk map which is reviewed by the Board on a quarterly basis. Calico Homes also review the risk map alongside the RSH Annual Sector Risk profile ensuring all relevant and appropriate risks to Calico Homes are included. The Risk Map includes a mix of both strategic and operational risks. The most significant risks faced by Calico Homes are shown in the table below:

Risk Area	Key Controls and Mitigations
Government policy and funding relating to Registered Providers impacts on financial viability of Calico Homes affecting ability to grow and meet strategic aims.	<p>Prudent Business Plan assumptions in 30-year plan relating to rental income and voids.</p> <p>Quarterly financial performance update to Board and funders</p> <p>Multi-variant stress testing carried out and regular consultation with Board takes place about scenarios and stress triggers including income reductions and cost inflation.</p> <p>Refreshed 21/22 Asset management strategy and action plan updated to focus on future green homes/decent homes costs and assess overall impact on expenditure and business plan.</p> <p>Building Safety group in place overseeing impacts and costs of new legislation</p>
Failure to attract and retain colleagues	<p>People Strategy in place</p> <p>Equality, Diversity, and Inclusion Strategy</p> <p>Regular planned Salary Benchmarking</p> <p>Annual staff survey (HIVE) completed supported by Wellbeing pulse survey</p> <p>Board & Management oversight of Colleague KPI</p> <p>Extensive staff benefits and well-being offer for staff – Lifeworks, Financial Support</p>
Operational Performance and service delivery	<p>Calico Homes bi-monthly Business Meetings with Executive Team to monitor and discuss performance, finance, and service improvement in response to internal and external challenges.</p> <p>Performance against Board approved performance measures and financial update reported to Board quarterly including any cases of fraud.</p> <p>Monthly Board summary on operational performance, staffing and services during Covid and regular Board meeting update.</p> <p>Operational Covid surveys reported to RSH to provide assurance</p> <p>Annual Internal audit programme in place</p> <p>6 monthly reporting to Board of strategic objectives and VFM action plan delivery</p> <p>Quarterly 'What our Customer are Saying' update to Board identifying feedback and priorities.</p>
Efficient and Effective Governance	<p>Board effectiveness review, skills matrix, and appraisals</p> <p>Annual Strategic Events for Boards</p> <p>Board Stress Testing and Mitigation workshops and regular reporting at Board meetings</p> <p>Board working groups – e.g., refinancing, BGH, Group structure</p> <p>New Governance Framework</p> <p>Boards Together program, Board Communication Framework</p> <p>Internal Governance working group.</p>

Risk Area	Key Controls and Mitigations
Health, Safety and Wellbeing of Calico Customers and Staff	<p>Group Health and Safety Strategy and Policy and Calico Homes H&S Framework and Action Plan approved by Board and monitored monthly. Performance reporting includes asset, compliance and health and safety indicators.</p> <p>Group wide Health and Safety Performance Team to monitor H&S performance and respond to challenges.</p> <p>Internal audits completed in 2020/21 for electrical safety, legionella and asbestos. Fire safety planned 21/22</p> <p>Housing Management Agreements including H&S responsibilities for Syncora companies use of Homes assets, reviewed annually.</p> <p>COVID secure building and risk assessments in place</p>
Regulatory and Legislative Compliance	<p>Annual Review of Compliance with Regulatory standards</p> <p>Assets and Liabilities Register reviewed and updated quarterly.</p> <p>IT governance group in place</p> <p>GDPR training and induction for all staff</p> <p>Rent Setting Policy</p> <p>Barley View action plan ensuring CQC compliance</p> <p>Business Continuity Plans in place</p>
Development Activity Supported Housing Activity	<p>Development Strategy approved by Board May 2019, SH strategy approved March 2021</p> <p>All new schemes are financially appraised and approved at Homes Board, exit plans if funding/circumstances change.</p> <p>Current development programme monitored by Development Team on a weekly basis. Financial commitments reported to Exec each month.</p> <p>Financial position monitored through management accounts and monthly meetings between finance and development staff to review cash-flow forecasts.</p> <p>Development schemes approvals to Board</p> <p>Evaluation of risk to right to shared ownership on all affordable homes' schemes reported to Board.</p>
Future Growth	<p>Growth Strategy in place</p> <p>Group KPI Board report produced.</p> <p>Corporate plan targets reviewed and introduced for Homes.</p> <p>Growth Strategy reviewed and approved at Group Board.</p> <p>Involvement of Homes Board in establishing strategic priorities and informing the Homes Growth Plan</p> <p>Strategic Growth group meets regularly to identify and monitor growth opportunities / risks</p>
Availability of New Funding Existing Debt	<p>Annual treasury strategy in place</p> <p>Treasury policy in place which is reviewed every 3 years.</p> <p>Annual Business Plan prepared in conjunction with Growth Strategy.</p> <p>Compliance and oversight of funders covenants</p> <p>Prudent assumptions/headroom included in covenants – reported quarterly to Board</p> <p>Treasury Policy with minimum credit ratings to reduce exposure to counterparty risk.</p>
Customer Satisfaction	<p>Feedback is Gold System Launched</p> <p>Self-assessment against Housing Ombudsman complaints handling code.</p> <p>Regular reporting of customer feedback to Board through WOCAS report</p> <p>2021 Views for Vouchers Survey completed, and action plan in place</p> <p>New measures for monitoring satisfaction introduced in KPIs.</p>

Risk Area	Key Controls and Mitigations
Group Cohesion	Growth Strategy Management agreements in place for Homes owned, Syncora managed assets. Annual assessment of partnerships with Syncora and Ring Stones Strategic Growth Group Homes Chair sits on Group Board. Governance Frameworks Updated Review of company growth plans Introduction of group financial framework and monitoring of intra-group indebtedness
Financial Viability Operational Performance Customer Safety and Satisfaction Asset Management	Homes Emergency Response Procedure to ensure we have an appropriate approach to response following an emergency, which is well communicated and understood. Business Continuity Plans including updated Service Resumption Plans in place following IA
COVID-19	Detailed Action Plan - Short, Medium, and Long term presented to Board during 20/21

Capital structure and treasury management

In March 2021, the Company secured additional funding of £27.8m. As at March 2021, Calico Homes had committed debt funding of £169.3m.

Funder	Total Facility	Total Drawn as at 31/3/2021
Nationwide	£41.5m	£41.5m
RBS/Natwest	£100m	£57.5m
MORhomes	£27.8m	£27.8m
Total	£169.3m	£126.8m

In 20/21 Calico Homes borrowed an additional £4.0 million (2020: £12.0 million) to bring its total borrowings to £126.8m (2020: £123.2 m). The additional borrowing was used to support the ongoing development programme.

Calico Homes loans with both the NatWest and Nationwide at both fixed and floating rates of interest. In March 2021, the company obtained new funding £27.8m from Morhomes PLC at a fixed rate. Calico Homes currently has 88.0% (2020: 74.5%) of its borrowings at fixed rates. The loans are secured by fixed and floating charges on the property stock.

The fixed rates of interest range from 2.84% to 7.64% (2020: 2.76% to 7.64%) with the weighted average rate of interest on all loans due to low variable rates being 4.16% (2020: 4.38%).

The Calico Group's policy is to borrow sufficient monies to meet its known and reasonable contingent requirements for liquidity. The Group will ensure that it has adequate cash resources, borrowing arrangements, overdraft and revolving credit to enable it to meet its business and service objectives. The Treasury Strategy and Treasury Policy is set annually and approved by the Group Board.

The Group borrows only in sterling and does not have any currency risk. Surpluses are invested in approved UK institutions and the Board monitors investment returns. All loans are secured by fixed charges over the Group's housing properties.

The financial performance in 2020/21 satisfied all funder covenants.

Cash inflows and outflows for the year are set out in the cash flow statement. The net cash inflow from operating activities before interest costs was £15.7m (2020: £7.3m). Cash Balances (Bank balances and short term investments) were £1.1m (2020: £2.5m) at the year end.

This report was approved by the Board on 13 September 2021 and signed on its behalf by:

Stephen Aggett
Company Secretary
13 September 2021
For the year ended 31 March 2021

Independent Auditor's Report to the Members of Calico Homes Limited

Opinion

We have audited the financial statements of Calico Homes Limited "the charitable company" for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company affairs as at 31 March 2021 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' (who are also the trustees for charity purposes) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board which includes the Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report included within the Report of the Board has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Calico Homes Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included in the Report of the Board.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Lee Cartwright
(Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 24 September 2021

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	3	25,737	23,231
Operating expenditure	3	(17,581)	(17,379)
Gain on disposal of fixed assets	7	850	790
Operating surplus		<u>9,006</u>	<u>6,642</u>
Interest receivable and other income	8	73	75
Interest payable and financing costs	8	(5,374)	(5,229)
Surplus on ordinary activities before tax		<u>3,705</u>	<u>1,488</u>
Taxation on non-charitable activities	12	-	-
Surplus for the year after tax		<u>3,705</u>	<u>1,488</u>
Actuarial gain/(loss) in respect of pension schemes	9	(777)	522
Total comprehensive income for the year		<u>2,928</u>	<u>2,010</u>
Total comprehensive income for the year attributable		<u>2,928</u>	<u>2,010</u>

Statement of Changes in Reserves

For the year ended 31 March 2021

	2021 £'000	2020 £'000
Income and expenditure reserve		
Balance as at 1 April	(3,065)	(5,075)
Surplus from Statement of Comprehensive Income	2,928	2,010
Balance at 31 March	<u>(137)</u>	<u>(3,065)</u>

The financial statements on pages 18 to 43 were approved and authorised for issue by the Board on 13 September 2021 and signed on its behalf by:

William Lacey
Chair of the Board

Stephen Aggett
Executive Director of Group Finance

Statement of Financial Position

As at 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible fixed assets	13	158,551	140,540
Intangible assets	14	249	253
Investments	15	479	-
		<u>159,279</u>	<u>140,793</u>
Current assets			
Stock	16	71	74
Debtors	17	2,266	6,126
Cash at bank and in hand		1,090	2,492
		<u>3,427</u>	<u>8,692</u>
Creditors: Amounts falling due within one year	18	(5,699)	(4,406)
		<u>(2,272)</u>	<u>4,286</u>
Net current (liabilities)/assets		<u>157,007</u>	<u>145,079</u>
Total assets less current liabilities		<u>157,007</u>	<u>145,079</u>
Creditors: Amounts falling due after more than one year	19	155,986	147,686
Provision for liabilities			
Pension provision	9	1,158	458
		<u>157,144</u>	<u>148,144</u>
Income and expenditure reserve		(137)	(3,065)
		<u>157,007</u>	<u>145,079</u>

The notes on pages 21 to 43 form part of these financial statements.

The financial statements on pages 18 to 43 were approved and authorised for issue by the Board on 13 September 2021 and signed on its behalf by:

William Lacey
Chair of the Board

Stephen Aggett
Executive Director of Group Finance

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash generated from operating activities	28	15,740	7,333
Cash flow from investing activities			
Interest received and other income	8	73	75
Purchasing of housing properties and improvements		(21,590)	(19,878)
Grants received		3,871	7,838
Purchase of other fixed assets	13	(247)	(501)
Purchase of intangible fixed assets	14	(89)	(118)
Purchase of fixed asset investments	15	(479)	-
Proceeds of sales of housing properties	7	1,690	1,342
Net cash flow used in investing activities		(16,771)	(11,242)
Cash flow from financing activities			
Interest and financing costs paid		(6,265)	(5,762)
Loans received		34,094	12,000
Repayment of borrowings		(28,200)	(500)
Net cash flow (used in)/from financing activities		(371)	5,738
Net change in cash and cash equivalents		(1,402)	1,829
Cash and cash equivalents at beginning of the year		2,492	663
Cash and cash equivalents at end of the year		1,090	2,492

The notes on pages 21 to 43 form part of these financial statements.

Notes to the Financial Statements

1. Legal Status

The Company is registered with the Charity Commission and registered with the Regulator of Social Housing ("RSH") as a registered provider of social housing. The company is limited by guarantee and incorporated in England & Wales. The registered office and principal place of business is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

2. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with UK Accounting Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the 'Statement of Recommended Practice for registered housing providers' (Housing SORP 2018) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, modified to include certain financial instruments at fair value.

They are presented in sterling £'000 for the year ended 31 March 2021.

The company meets the definition of a public benefit entity ("PBE").

Going concern

The Board is confident that Calico Homes remains a going concern for the following key reasons:

- Following the third lockdown announcement in January 2021, the Board continued its Business Continuity arrangements, which meant that all services that were able to be delivered safely were able to continue, including services to vulnerable tenants in sheltered and extra-care schemes, day to day repairs to tenant's properties within the Government's social distancing guidelines, and all statutory compliance activities. All other staff colleagues continue to be able to carry out their duties from home. The lockdown restrictions ceased in July 2021.
- Preparation of detailed financial forecasts and business plans, which demonstrate that the organisation has sufficient cash and is able to continue to meet the financial covenants within the loan facilities.
- Sensitivity analysis and stress testing analysis has been performed which demonstrates that there are sufficient funds available to meet the increased cost of bad debts, which could arise where tenants' and customers' financial circumstances are adversely impacted by the pandemic. The Board monitors all debtors closely.
- Calico Homes has in place an undrawn revolving credit facility, Homes England development grants and generates positive cash from core operations. These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Company's day to day operations.

After making enquiries, the Board is of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. There was a surplus of £2.9m (2020: £2.0m) and net liabilities of £0.1m (2020: £3.0m, which includes £1.158m (2020: £0.458m) provision for the SHPS defined benefit scheme liability. The 2021 business plan shows that the reserves will be in a positive position by March 2022. Therefore, the Company continues to adopt the going concern basis in the financial statements.

Basis of consolidation

The financial statements of the Company are consolidated in the financial statements of The Calico Group Limited. The consolidated financial statements of The Calico Group Limited are available from the registered office, Centenary Court, Croft Street, Burnley Lancashire, BB11 2ED.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- **Development expenditure.** The company capitalises development expenditure in accordance with the accounting policy described on page 24. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- **Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, management has considered if the asset is held for social benefit or to earn commercial rentals and has determined that there are no investment properties.
- **Pension and other post-employment benefits.** The cost of defined benefit contributions and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.
- **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit ("CGU") is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a CGU exceeds the higher of its net realisable value or its value in use. A CGU is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the company performs impairment tests based on fair value costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in arm's length transaction or similar CGUs or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on a depreciated replacement cost based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential as the existing property.

Other key sources of estimation and assumptions:

- **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Goodwill and intangible assets.** The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising from business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions would consider in respect of similar businesses. Where in exceptional circumstances, the useful life of goodwill cannot be determined, the life will not exceed 10 years.

Merger accounting

Where merger accounting is used, the investment is recorded at the nominal value of shares issued together with the fair value if any additional consideration paid. In the company's financial statements, merged subsidiary undertakings are treated as if they already had been a member of the company. The results of such a subsidiary are included for the whole period in the year it joins the company. The corresponding figures for the previous year include its results for that period and the assets and liabilities at the previous Statement of Financial Position date.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The ability to use the software.
- The availability of adequate resources to complete the development.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The principal annual rates used are:

- Software development costs 20 – 33%

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, supporting people services contract income, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Service charges

Service charge income and costs are recognised on an accruals basis. The company operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used, the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan interest payable

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and the amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in The Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted by the reporting date.

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted. Deferred tax assets are only recognised to the extent that their recovery is reasonably expected in the foreseeable future.

Value Added Tax ("VAT")

The Company charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable.

Tangible fixed assets and depreciation

Social housing properties

Social housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements subsequently made to social housing properties are capitalised in-line with component accounting regulations. See depreciation of social housing properties note for more information.

Housing properties under construction are stated at cost and are not depreciated. These are re-classified as housing properties on practical completion of construction.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of completion of the scheme and only when development activity is in progress.

Administration costs relating to the development activities capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Supported housing managed by agencies

Where the Company holds the support contract with the Supporting People Administering Authority and carries the financial risk, the entire project's income is included in the Company's Statement of Comprehensive Income.

Depreciation – Social housing properties

Freehold land is not depreciated.

Where a social housing property comprises two or more major components with substantially different Useful Economic Lives ("UELS"), each component is accounted for separately and depreciated over its individual useful economic life, on the basis of original cost, less the proportion of SHG and other grants attributable to the component. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred and any remaining net book value relating to the original component is written off to the Statement of Comprehensive Income in the year it is disposed of.

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

The company depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation – Social housing properties (continued)

Major components and their UELs are as follows:

Structure	100 years	External wall insulation	25 years
Roof	50 years	Electrical wiring	25 years
Bathrooms	30 years	Solar panel system	25 years
Externals	30 years	Doors	20 years
Windows	30 years	Kitchens	20 years
Central Heating	30 years	Boilers	15 years

Low cost home ownership properties

Low cost home ownership properties which remain unsold at the accounting date are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche portion is accounted for as a current asset and the sales proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a tangible fixed asset and subsequent sales treated as sales of fixed assets in operating profit.

Depreciation – Other tangible fixed assets

Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

- Freehold property 75 years
- Leasehold properties 75 years or the term of the lease (whichever is lower)
- Furniture, fixtures and fittings 10-33%
- Computers and office equipment 5-33%

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Stock

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If a grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where grant is recycled, as described above, the grant is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Pensions

The Company operates defined contribution plans for the benefit of its employees. The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Company also participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the company's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Further details of the assumptions and the defined benefit pension plan is in note 10.

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in paragraph 11.8(c) of FRS 102 are measured at cost less impairment.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Financial instruments held by the Company are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Fixed asset investments such as ordinary shares and fixed rate unsecured convertible loan notes are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Loans

All loans held by the company are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction type plus transaction costs initially, and subsequently at amortised cost using the effective interest method. Loans repayable less than one year are not discounted.

Financial Instruments Impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

Notes to the Financial Statements (continued)

3. Turnover, operating expenditure and operating surplus

Continuing activities

	2021	2021	2021	2020	2020	2020
	Turnover	Operating expenditur	Operating surplus/ (deficit)	Turnover	Operating expenditur	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings [A]	23,252	(15,126)	8,126	21,499	(14,962)	6,537
Other social housing activities:						
Support services	-	(159)	(159)	31	(183)	(152)
Non-social housing [B]	2,485	(2,296)	189	1,701	(2,234)	(533)
	<u>25,737</u>	<u>(17,581)</u>	<u>8,156</u>	<u>23,231</u>	<u>(17,379)</u>	<u>5,852</u>

A. Particulars of income and expenditure from social housing lettings

	General Housing £'000	Sheltered Housing £'000	2021 Total £'000	2020 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges and net of voids	17,322	4,229	21,551	19,878
Service charges receivable	507	909	1,416	1,333
Amortised government grants	221	64	285	288
Turnover from social housing lettings	<u>18,050</u>	<u>5,202</u>	<u>23,252</u>	<u>21,499</u>
Expenditure on social housing lettings				
Management	(4,189)	(1,207)	(5,396)	(5,931)
Service charge costs	(434)	(610)	(1,044)	(943)
Routine Maintenance	(2,202)	(634)	(2,836)	(3,266)
Planned Maintenance	(781)	(225)	(1,006)	(781)
Major repairs expenditure	(644)	(186)	(830)	(670)
Community Involvement	(314)	(91)	(405)	-
Bad debts	30	9	39	(116)
Depreciation of housing properties	(2,458)	(750)	(3,208)	(3,007)
Impairment of housing properties	-	-	-	-
Other costs	(374)	(66)	(440)	(248)
Operating costs on social housing lettings	<u>(11,366)</u>	<u>(3,760)</u>	<u>(15,126)</u>	<u>(14,962)</u>
Operating surplus on social housing lettings	<u>6,684</u>	<u>1,442</u>	<u>8,126</u>	<u>6,537</u>
Void loss	<u>(253)</u>	<u>(97)</u>	<u>(350)</u>	<u>(385)</u>

Notes to the Financial Statements (continued)

3. Turnover, operating costs and operating surplus (continued)

B. Non-social housing activities

	Turnover	Operating Costs	2021 Operating surplus/ (deficit)	2020 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
Market Lettings	72	(24)	48	23
Barley View Care Home	1,161	(1,110)	51	(308)
Furlough Income	323	-	323	-
Other*	929	(1,162)	(233)	(248)
	<u>2,485</u>	<u>(2,296)</u>	<u>189</u>	<u>(533)</u>

* Included in Other are recharges of office costs to group companies (note 29).

4. Accommodation owned, managed and in development

	At 31.3.2020	Additions	Disposals	Other	At 31.3.2021
<u>UNITS OWNED</u>					
Social Housing:					
General needs housing social rent	2,984	-	(20)	(8)	2,956
General needs housing affordable rent	636	174	-	2	812
Supported housing	219	38	(20)	4	241
Housing for older people	1,114	9	-	(4)	1,119
Low-cost home ownership	4	-	-	(2)	2
	<u>4,957</u>	<u>221</u>	<u>(40)</u>	<u>(8)</u>	<u>5,130</u>
Non-Social Housing:					
Market rented	11	-	-	-	11
Registered Care Homes	28	-	-	-	28
	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>
<u>UNITS MANAGED</u>					
Managed units* - General needs	114				100
<u>UNDER DEVELOPMENT</u>					
General needs housing affordable rent	94				92
Supported housing	10				8
Low-cost home ownership	-				0
Housing for older people	24				0
	<u>128</u>				<u>100</u>

* Properties managed for Burnley Borough Council and Rossendale Borough Council are their Empty Homes programme properties which we let and manage on their behalf.

Notes to the Financial Statements (continued)

5. Accommodation managed by others

The company owns property managed by fellow subsidiaries.

	2021	2020
	No. of units	No. of units
Supported housing	171	133

6. Operating surplus

The operating surplus is stated after charging/(crediting):-

	Note	2021	2020
		£'000	£'000
(Surplus) on sale of fixed assets	7	(850)	(790)
Depreciation of housing properties	13	3,208	3,007
Depreciation of other tangible fixed assets	13	259	177
Amortisation of intangible fixed assets	14	93	39
Amortisation of government grants	3	(285)	(280)
Operating lease rentals – land and buildings		186	171
Operating lease rentals – other		148	142
Auditor's remuneration (excluding VAT):			
- for auditor services		25	23
- taxation compliance services		2	2
- service charge certification		1	1

7. Surplus on sale of fixed housing assets

	Right to		Total	Total
	Buy Sales	Others	2021	2020
	£'000	£'000	£'000	£'000
Disposal proceeds	1,420	270	1,690	1,342
Carrying value of fixed assets	(705)	(135)	(840)	(552)
Surplus/(deficit) on disposal	715	135	850	790

Disposal proceeds represent the net receipt for sale of properties in accordance with the sharing agreement with Burnley Borough Council and proceeds from other sales.

Notes to the Financial Statements (continued)

8. Net interest

	2021	2020
	£'000	£'000
Interest receivable and similar income		
Interest receivable and similar income	73	75
Interest payable and financing costs		
Loans and bank overdrafts	5,866	5,714
Adjustment for effective interest rate	(92)	(135)
Pensions – net interest on pension deficit	81	93
	5,855	5,672
Less: interest capitalised on housing properties under construction	(481)	(443)
	5,374	5,229

The interest rate of 4.56% (2020: 4.56%) was used for capitalising finance costs.

9. Employees

Average monthly number of employees	2021	2020
	No.	No.
Administration	84	76
Housing and community services	148	150
Total	232	226
Full time equivalents (36.25 hours/week)	189	179
	2021	2020
	£'000	£'000
Employee costs:		
Wages and salaries (gross)	7,334	6,860
Social security costs	661	610
Redundancy	15	7
Other pension costs	376	370
Pension adjustment to Income and Expenditure Accounts	(87)	(69)
	8,309	7,778

Pension obligations

The Company participates in the Social Housing Pension Scheme ("SHPS") and operates a stakeholder pension scheme.

Notes to the Financial Statements (continued)

9. Employees (continued)

Aggregate number of full-time equivalent staff whose remuneration (basic salary, benefits in kind, employer's pension contributions and compensation for loss of office) exceeded £60,000 in the period:

	2021	2020
	No.	No.
£60,000 to £70,000	5	4
£70,000 to £80,000	2	-
£80,000 to £90,000	4	1
£90,000 to £100,000	2	1
£100,000 to £110,000	-	-
£110,000 to £120,000	1	1
£120,000 to £130,000	1	1
£140,000 to £150,000	-	-
£150,000 to £160,000	1	1

10. Pensions

Social Housing Pension Scheme ("SHPS")

The Group participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the Group's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The latest actuarial valuation was as at 30 September 2020.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	31 March 2021	31 March 2020
	(£000s)	(£000s)
Fair value of plan assets	3,447	3,050
Present value of defined benefit obligation	4,605	3,508
Surplus (deficit) in plan	(1,158)	(458)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,158)	(458)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(1,158)	(458)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	Period from 31 March 2020 to 31 March 2021
	(£000s)
Defined benefit obligation at start of period	3,508
Current service cost	-
Expenses	4
Interest expense	81
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(59)
Actuarial losses (gains) due to changes in demographic assumptions	15
Actuarial losses (gains) due to changes in financial assumptions	1,160
Benefits paid and expenses	(104)
Defined benefit obligation at end of period	4,605

Notes to the Financial Statements (continued)

10. Pensions (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	Period from 31 March 2020 to 31 March 2021
Fair value of plan assets at start of period	3,050
Interest income	71
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	339
Contributions by the employer	91
Contributions by plan participants	-
Benefits paid and expenses	(104)
Fair value of plan assets at end of period	3,447

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £410,000. (2020: £183k).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SO CI)	From 31 March 2020 to 31 March 2021 (£000s)
Current service cost	-
Expenses	4
Net interest expense	10
Defined benefit costs recognised in statement of comprehensive income (SoCI)	14

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	From 31 March 2020 to 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	339
Experience gains and losses arising on the plan liabilities - gain (loss)	59
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(15)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,160)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	777
Total amount recognised in other comprehensive income - gain (loss)	(777)

Notes to the Financial Statements (continued)

10. Pensions (continued)

ASSETS	31 March 2021 (£000s)	31 March 2020 (£000s)
Global Equity	549	446
Absolute Return	190	159
Distressed Opportunities	100	59
Credit Relative Value	108	84
Alternative Risk Premia	130	213
Fund of Hedge Funds	-	2
Emerging Markets Debt	139	92
Risk Sharing	125	103
Insurance-Linked Securities	83	94
Property	72	67
Infrastructure	230	227
Private Debt	82	61
Opportunistic Illiquid Credit	88	74
High Yield	103	-
Opportunistic Credit	95	-
Corporate Bond Fund	204	174
Liquid Credit	41	1
Long Lease Property	68	53
Secured Income	143	116
Liability Driven Investment	876	1,012
Net Current Assets	21	13
Total assets	3,447	3,050

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.22%	2.33%
Inflation (RPI)	3.20%	2.51%
Inflation (CPI)	2.87%	1.51%
Salary Growth	3.87%	2.51%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

Notes to the Financial Statements (continued)

11. Board members and executive officers

	2021	2020
	£'000	£'000
The aggregate emoluments paid to or receivable by non-executive Directors	-	-
The aggregate emoluments paid to or receivable by executive officers	590	617
The aggregate compensation paid to or receivable by executive officers	-	-
The emoluments paid to the highest paid executive officer (excluding pension)	133	134
The aggregate pensions costs for executive officers	66	76
Total key management personnel remuneration	590	617

None of the Board members received emoluments. Expenses paid during the year in respect of Board members amounted to £336 (2020: £2,851).

The Board members and executive officers (the key management personnel) are those as listed on page 1.

The Chief Executive, who is the highest paid executive officer, has been a member of the SHPS defined contribution scheme since 1 April 2018. He is an ordinary member of the pension scheme and no enhanced or special terms apply to which the company contributed £10,604 (2020: £17,250) during the year. The company does not make any further contribution to an individual pension arrangement for the Chief Executive.

12. Taxation on non-charitable activities

As a charity Calico Homes Limited is not liable to tax on its ordinary charitable activities. One element of their operation includes property sales which are deemed by HMRC to be non-charitable. Therefore, a tax provision on the surplus/(deficit) has been provided at the relevant corporation tax rate.

	2021	2020
	£'000	£'000
UK Corporation Tax charge for the year	-	-
Adjustment in respect of prior years	-	-
Total tax charge	-	-
<i>Factors affecting tax charge for period:</i>		
Surplus on ordinary activities before tax	3,705	1,488
Surplus on ordinary activities at standard rate 19% (2020: 19%)	704	283
Effect of charitable income and expenditure not subject to tax	(704)	(283)
Current tax charge for year	-	-
Adjustments in respect of prior years	-	-

Notes to the Financial Statements (continued)

13. Tangible fixed assets

	----- Housing Properties -----				-----Other Fixed Assets-----			
	Social Housing Properties for Letting Completed	Social Housing Properties for letting under Construction	Low cost Home ownership Properties completed	Total Housing Properties	Freehold offices	Furniture and office equipment	Total Other Fixed Assets	Total Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At start of the year	156,080	7,439	316	163,835	5,576	1,840	7,416	171,251
Additions	3,098	16,809	-	19,907	61	186	247	20,154
Works to existing properties acquired	2,255	-	-	2,255	-	-	-	2,255
Schemes completed	19,727	(19,727)	-	-	-	-	-	-
Asset Re-classification	151	-	-	151	(151)	-	(151)	-
Disposals	(1,375)	-	(122)	(1,497)	-	-	-	(1,497)
At end of the year	179,936	4,521	194	184,651	5,486	2,026	7,512	192,163
Depreciation and impairment								
At start of the year	28,024	-	28	28,052	1,436	1,223	2,659	30,711
Charge for the year	3,208	-	-	3,208	96	163	259	3,467
Impairment	-	-	-	-	-	-	-	-
Asset Re-classification	-	-	-	-	-	-	-	-
Disposals	(550)	-	(16)	(566)	-	-	-	(566)
At end of the year	30,682	-	12	30,694	1,532	1,386	2,918	33,612
Net book value at the 31 March 2021	149,254	4,521	182	153,957	3,954	640	4,594	158,551
Net book value at the 31 March 2020	128,056	7,439	288	135,783	4,140	617	4,757	140,540

Notes to the Financial Statements (continued)

13. Tangible fixed assets – properties (continued)

Housing properties comprise:

	2021	2020
	£'000	£'000
Freehold land and buildings	85,990	80,104
Long leasehold land and buildings	63,452	55,679
	<u>149,442</u>	<u>135,783</u>
Major works to existing properties in the year:		
Works capitalised	2,255	1,710
Amounts charged to expenditure (note 3)	830	670
	<u>3,085</u>	<u>2,280</u>
Aggregate amount of interest and finance costs included in the cost of housing properties (note 8)	481	443
The capitalisation rate used was 4.56% (2020: 4.56%)	<u>481</u>	<u>443</u>

Cost of properties includes £252,000 (2020: £232,000) for direct administrative costs capitalised during the year.

The completed housing properties with net book value £80,137,000 (2020: £82,705,000) are secured against the debt detailed in Note 20.

14. Intangible Fixed Assets

	2021	2020
	£'000	£'000
Computer software and licences		
Cost		
At start of year	1,704	1,586
Additions	89	118
At end of year	<u>1,793</u>	<u>1,704</u>
Amortisation		
At start of year	1,451	1,412
Charge for year	93	39
	<u>1,544</u>	<u>1,451</u>
Net book value		
At 31 March	<u>249</u>	<u>253</u>

Notes to the Financial Statements (continued)

15. Fixed Asset Investments

	2021	2020
	£'000	£'000
A ordinary shares number 155,000 (2020: Nil)	159	-
Fixed rate unsecured convertible loan notes	320	-
	<u>479</u>	<u>-</u>
	<u><u>479</u></u>	<u><u>-</u></u>

During the year, in respect of the new funding with MORhomes PLC detailed in note 20, the company acquired 155,000 "A" ordinary shares and £320,000 of fixed rate unsecured convertible loan notes.

16. Stock and work in progress

	2021	2020
	£'000	£'000
Raw materials and consumables	71	74
	<u>71</u>	<u>74</u>
	<u><u>71</u></u>	<u><u>74</u></u>

17. Debtors

	2021	2020
	£'000	£'000
Due within one year:		
Rent and service charges receivable	1,500	2,042
Less: Provision for bad and doubtful debts	(977)	(1,200)
	<u>523</u>	<u>842</u>
Other debtors	385	2,841
Less: Provision for bad and doubtful debts	(347)	(198)
Other taxation and social security	32	16
Prepayments and accrued income	745	343
Intercompany balance	928	2,298
	<u>2,266</u>	<u>6,126</u>
	<u><u>2,266</u></u>	<u><u>6,126</u></u>

Notes to the Financial Statements (continued)

18. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	464	341
Rent and service charges received in advance	247	546
Debt (Note 20)	-	500
Others creditors	73	89
Accruals and deferred income	3,204	2,428
Other taxation and social security	-	16
RTB proceeds due to Burnley Borough Council	109	17
Intercompany balances	1,251	169
Deferred capital grant (Note 21)	351	300
	<u>5,699</u>	<u>4,406</u>

19. Creditors: amounts falling due after more than one year

	2021	2020
	£'000	£'000
Debt (Note 19)*	124,913	121,181
Deferred capital grant (Note 21)	28,686	26,349
Recycled capital grant (Note 22)	-	75
Leaseholder sinking funds	93	81
Loan Premium	2,294	-
	<u>155,986</u>	<u>147,686</u>

* Debt is secured by housing properties. See note 20.

Notes to the Financial Statements (continued)

20. Debt analysis

	2021	2020
	£'000	£'000
Due after more than one year:		
Bank loans	124,913	121,181
Debt is repayable as follows:		
Within one year	-	500
Between two to five years	3,000	4,500
After five years	121,913	116,681

The Company borrows from the NatWest and Nationwide, at both fixed and floating rates of interest. In March 2021, the company obtained new funding £27.8m from Morhomes PLC at a fixed rate. The Company currently has 88.0% (2020: 74.5%) of its borrowings at fixed rates. The undrawn loan facility as at 31 March 2021 was £42.5m (2020: £ 18.3m).

The fixed rates of interest range from 2.84% to 7.64% (2020: 2.76% to 7.64%) with the weighted average rate of interest on all loans due to low variable being 4.16% (2020: 4.38%). Variable rate loans have their rate linked to LIBOR.

Break costs

The Company has interest rate fixes and forward rate fixes in place maturing at intervals up to 2038. If these fixes are not taken up or are terminated prior to maturity, then break costs will be incurred. No provision for break costs is recognised in the financial statements as it is likely that they will be taken up when they fall due and terminations prior to maturity date are not expected.

Our loan portfolio also includes several loans whose interest rate is calculated in relation to the retail price index. Details are as follows:

Value date	Maturity date	Lender	Type	Amount £'000	Rate including margin at 31/03/21 %
13/10/2008	13/10/2038	Nationwide	RPI cap/collar	3,000	4.87

RPI (floor 0% p.a., Cap 5% p.a.) + 0.915% + margins payable from the effective date.

The bank loans are secured by a fixed and floating charge over the housing properties of the Company held on behalf of the Funders by Prudential Trustee Company. The loans are repayable in agreed stages from 2018 onwards. The break costs are considered to be the fair value of the loans.

Notes to the Financial Statements (continued)

21. Deferred capital grant

	2021	2020
	£'000	£'000
At start of year	26,648	19,205
Grant received in the year	2,599	7,798
Released to income in the year	(285)	(280)
Transfer from/(to) RCGF	75	(75)
	<u>29,037</u>	<u>26,648</u>
	<u><u>29,037</u></u>	<u><u>26,648</u></u>
Amount due to be released within one year (Note 17)	351	300
Amount due to be released after one year (Note 18)	28,686	26,349
	<u>29,037</u>	<u>26,648</u>
	<u><u>29,037</u></u>	<u><u>26,648</u></u>

22. Recycled capital grant fund

	2021	2020
	£'000	£'000
Balance brought forward at 1 April	75	
Transfer (to)/from Deferred Capital Grant	(75)	75
	<u>-</u>	<u>75</u>
Carried forward at 31 March	-	75
	<u><u>-</u></u>	<u><u>75</u></u>

The balance on the Recycled capital grant fund ("RCGF") was allocated to a development scheme under construction.

23. Capital commitments

Capital expenditure commitments were as follows:

	2021	2020
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	10,771	10,473
Expenditure approved by the Board, but not contracted	5,705	9,949
	<u>16,476</u>	<u>20,422</u>
	<u><u>16,476</u></u>	<u><u>20,422</u></u>

These are to be funded out of undrawn loan facilities of £42.5m (2020: £18.3m) and estimated grants of £3.9 m (2020: £4.7m) and relate to potential property developments.

Notes to the Financial Statements (continued)

24. Operating leases

Operating leases

The future minimum lease payments which the Company is committed to make under operating leases are as follows:

	2021	2020
	£'000	£'000
Land and buildings:		
• Within one year	156	171
• Two to five years	102	250
	<u>258</u>	<u>421</u>
Other leases:		
• Within one year	225	135
• Two to five years	716	27
	<u>941</u>	<u>162</u>

25. Grant and financial assistance

	2021	2020
	£'000	£'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2021:		
Held as deferred capital grant	31,052	28,711
	<u>31,052</u>	<u>28,711</u>
Recognised as income in Statement of Comprehensive Income in the current period.	285	280
	<u>285</u>	<u>280</u>

26. Analysis of changes in net debt

	At beginning of the Year	Cash Flows	Other Changes	At end of the Year
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	2,492	(1,402)	-	1,090
Debt due within one year*	(500)	-	500	-
Debt due after one year	(121,181)	(4,500)	768	(124,913)
	<u>(119,189)</u>	<u>(5,902)</u>	<u>1,268</u>	<u>(123,823)</u>

* No capital repayment was made during the year due to an amendment to the Nationwide facility in March 2021 which changed the repayment profile.

Notes to the Financial Statements (continued)

27. Control

The Calico Group Limited ("Group"), a company incorporated in United Kingdom, is the immediate parent and ultimate controlling party.

The consolidated accounts of The Calico Group Limited are available from its registered office:

- Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

28. Reconciliation of surplus to net cash generated from operating activities

	2021	2020
	£'000	£'000
Surplus for the year	3,705	1,488
Adjustments for non-cash items:		
Depreciation of housing properties	3,208	3,007
Depreciation of other tangible fixed assets	259	177
Amortisation of intangible fixed assets	93	39
Amortisation of government grants	(285)	(280)
Pensions adjustment	(77)	(45)
(Profit)/loss on sale of fixed assets	(850)	(790)
Working capital movements:		
Decrease/(increase) in stock	3	(38)
Decrease/(increase) in debtors	3,861	(604)
Increase/(decrease) in creditors	522	(775)
Adjustments for investing or financing activities:		
Interest payable and financing costs	5,374	5,229
Interest receivable and other income	(73)	(75)
Net cash generated from operating activities	15,740	7,333

29. Related parties

Tenant members

The tenant Board members at 31 March 2021 have tenancies on normal commercial terms with combined rent payable of £6,555 (2020: £8,563).

At 31 March 2021, there were no outstanding amounts (2020: £Nil).

Hobstones Homes Limited ("Hobstones"), a fellow subsidiary of Group

During the year, Hobstones was contracted to deliver our major development programme listed below:

	Mar-2021	Mar-2020
	£'000	£'000
• New house building	9,768	8,228

During the year, the company recharged office costs to Hobstones totalling £121,000 (2020: £109,000).

At 31 March 2021, the company owed to Hobstones £632,000 (2020: £65,000).

Notes to the Financial Statements (continued)

Related parties (continued)

The Calico Group Limited ("Group"), the parent company

During the year, the Group recharged office costs amounting to £43,000 (2020: £37,000).

At 31 March 2021, Group owed the company £8,000 (2020: £65,000) (2019: £81,000).

Ring Stones Maintenance and Construction Limited ("Ring Stones"), a subsidiary of Group

During the year, Ring Stones carried out part of the major works programme for Calico Homes, below is a list of the work programmes and the values involved:

	Mar-21		Mar-20
	£'000		£'000
• Various Investment works	600		314
• Externals	444		865
• Heating	1,060		491
• Roofing	347		195
• Damp proofing	277		388
• Empty Homes refurbishment	1,635	1,283	
• Rossendale Empty Homes properties		32	98
	<u>4,395</u>		<u>3,634</u>

During the year, the company recharged office costs to Ring Stones totalling £360,000 (2020: £351,000).

At 31 March 2021, the company owed to Ring Stones £603,000 (2020: £105,000).

Syncora Limited ("Syncora"), a fellow subsidiary of Group

There were no transactions during the year (2020: £Nil).

At 31 March 2021, Syncora owed the company £3,000 (2020: £13,000)

Calico Enterprise Limited ("Enterprise"), a subsidiary of Syncora

During the year, the company recharged office and property rental costs to Enterprise totalling £403,000 (2020: £378,000) and Enterprise charged £406,000 (2020: £520,000) for cleaning, painting, decorating and catering services.

At 31 March 2021, the company owed to Enterprise £16,000 (2020: owed by £344,000).

Acorn Recovery Projects ("Acorn"), a subsidiary of Syncora

During the year, the company recharged rents and office costs to Acorn totalling £257,000 (2020: £252,000).

At 31 March 2021, Acorn owed the company £353,000 (2020: £1,224,000).

Safenet Domestic Abuse Service ("Safenet"), a subsidiary of Syncora

During the year, the company recharged rents and office costs to Safenet totalling £417,000 (2020: £303,000).

At 31 March 2021, Safenet owed the company £97,000 (2020: £91,000).

Delphi Medical Limited ("Delphi"), a subsidiary of Acorn

During the year, there were no transactions (2020: £Nil).

At 31 March 2021, Delphi owed the company £149,000 (2020: owed to £180,000).

Delphi Medical Consultants Limited ("DMC"), a subsidiary of Acorn

There were no transactions during the year (2020: £Nil).

At 31 March 2021, DMC owed the company £318,000 (2020: £316,000).

30. Post balance sheet events

In March 2021, approval was given for Homes Board members to be remunerated from 1 April 2021. The Chair to receive £6,000 per annum and all other Board members £3,500 each.